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TO RUEHLM/AMEMBASSY COLOMBO 0000  
INFO RUEAIIA/CIA WASHINGTON DC 0000  
RUCPDOG/USDOC WASHINGTON DC 0000  
RUEKJCS/SECDEF WASHINGTON DC  
RHMCSUU/FBI WASHINGTON DC 0000  
RUEPINS/HQ BICE INTEL WASHINGTON DC 0000

UNCLAS STATE 018013

SIPDIS

SIPDIS  
COLOMBO FOR BLUE LANTERN POC  
COLOMBO FOR ROBERT GABOR  
ECON  
COLOMBO FOR MICHAEL DETAR  
POL

E.O. 12958: N/A  
TAGS: [ETTC](#) [KOMC](#) [CE](#)  
SUBJECT: BLUE LANTERN LEVEL 3: PRE-LICENSE END-USE CHECK  
ON APPLICATIONS 050087594, 050087851, AND 050087858

REF: BLUE LANTERN GUIDEBOOK 2006

11. This is an Action Request. See paragraphs 2-4.

12. The Department's Office of Defense Trade Controls Compliance (PM/DTCC) requests post's assistance in conducting a pre-license check on applications 050087594, 050087851, and 050087858 for the export of night vision goggles (NVGs) to Sri Lanka. Post is requested to complete this Blue Lantern check within 30 days. Lack of response to a Blue Lantern check will affect pending and future applications involving parties to this license.

13. Reason for request: end-users' irregular licensing history, need to verify end-use, and possible unauthorized brokering activity. Pursuant to Section 699G(a) of the FY 2008 Foreign Operations Appropriations Act, it is Department policy to deny licenses for the export of defense articles and services to Sri Lanka unless it meets the exception in the statute for maritime and air surveillance and communications. Post should make appropriate inquiries to confirm the legitimacy of the proposed transactions and to verify that they meet the carve-out described above. PM/DTCC has approved four previous licenses during 2007 for the export of a total of 124 night vision goggles to Sri Lanka for maritime and air surveillance. The supporting documentation for these new, pending applications includes relatively old and perhaps duplicate purchase orders and end-use statements. It is unclear how many night vision goggles Sri Lanka legitimately needs in order to conduct maritime and air surveillance. In addition to these issues, foreign intermediate consignee LCW Holdings (PVT) Ltd. appears to be acting as a broker in these proposed transactions. However, the company is not registered with the Department's Directorate of Defense Trade Controls (PM/DDTC) as a broker of United States Munitions List (USML) parts, as required by U.S. law. LCW Holdings has appeared on only four previous license applications (all involving the Sri Lankan MOD), and its bona fides have never been verified by a Blue Lantern check.

14. Post should make appropriate inquiries to confirm the legitimacy of the proposed transaction and to verify that these proposed transactions meet the carve-out described above. In addition, post should make appropriate inquiries to verify the bona fides of LCW Holdings, to determine whether the company is acting as a broker in this proposed transaction, and to determine whether the company is aware

that U.S. law requires brokers of USML items to register with PM/DDTC. The following questions are provided as suggested guidance:

For the Sri Lanka Navy/Air Force:

--Did you order from LCW Holdings the exact type and quantity of items listed on these applications?

--For what end-use will the night vision goggles (NVGs) be used?

--How many NVGs does the Sri Lanka Navy/Air Force need in order to conduct maritime/air surveillance?

--Has the Sri Lanka Navy placed five different orders for M963 NVGs during the last half year (four orders for 50 NVGs and one order for 20 NVGs)? If so, why were separate orders placed instead of one larger order? Is this common practice?

--Is LCW Holdings an official supplier/contractor for the Sri Lankan MOD? Does the Sri Lankan MOD have any other contracts with the company?

For LCW Holdings:

--Please describe your role in this proposed transaction.

--Does the company have proper supporting documentation, including a contract from the Sri Lanka Navy/Air Force, for this proposed transaction?

--Does the company understand the restrictions on United States Munitions List (USML) items, especially the prohibition against unauthorized re-transfers and re-exports? Does the company understand that USML items may be used only for the specific purpose stated on the export license?

--If serving as a broker in this proposed transaction, are you aware that U.S. law requires brokers of USML items to register with the State Department and to obtain prior authorization for many brokered transactions?

--Will the company be handling or storing the items listed on the application? If so, does it have secure facilities and proper accounting and security procedures for handling these sensitive USML items?

--When was the company established and who are its principals?

--What types of organizations are among its typical customers and where are the customers located?

15. For background, the following details of the license in question are provided:

1A.

DTC Case: 050087594

QUANTITY/COMMODITY:

5 M949 Gen III Aviators Night Vision Goggles with standard accessories and test data sheets - FOM less than 1250

License Value: USD 55,000.00

SELLER:

Nightline, Inc.  
10705 SW 104 St  
Miami, FL 33176  
Company contact: Cris Bartolomeo, tel. 423-727-5900

FOREIGN INTERMEDIATE CONSIGNEE:

LCW Holdings (Pvt) Ltd.  
108B Maya Avenue

Colombo 06  
Sri Lanka  
Tel.: 0094 11 2597062  
Fax: 0094 112597061  
E-mail: lcwek@sltnet.lk

(COMMENT: According to the license application, the company is placing the order with Nightline. They will not receive the goods. Items will ship directly to end user. END COMMENT.)

FOREIGN CONSIGNEE:

Commander of Sri Lanka Air Force  
Air Force Headquarters Chitthapalam A Gardiner Mawatha  
Colombo 02  
Sri Lanka

FOREIGN END-USER:

Same as Foreign Consignee

PURPOSE:

To support and enhance air surveillance of the Sri Lankan Air Force

1B.

DTC Case: 050087851

QUANTITY/COMMODITY:

50 M963 Gen III Single Tube Night Vision Goggle AN/PVS-7B with standard accessories and test data sheets - FOM not to exceed 1250

License Value: USD 136,750.00

SELLER:

Nightline, Inc.  
10705 SW 104 St  
Miami, FL 33176  
Company contact: Cris Bartolomeo, tel. 423-727-5900

FOREIGN INTERMEDIATE CONSIGNEE:

LCW Holdings (Pvt) Ltd.  
108B Maya Avenue  
Colombo 06  
Sri Lanka  
Tel.: 0094 11 2597062  
Fax: 0094 112597061  
E-mail: lcwek@sltnet.lk  
(COMMENT: According to the license application, the company is placing the order with Nightline. Goods will be shipped directly to end user. END COMMENT.)

FOREIGN CONSIGNEE:

Sri Lanka Commander of the Navy  
Naval Headquarters Upper Chatham Street  
Colombo 01  
Sri Lanka

FOREIGN END-USER:

Same as Foreign Consignee

PURPOSE:

To support and enhance the maritime surveillance capabilities of Sri Lanka

1C.

DTC Case: 050087858

QUANTITY/COMMODITY:

50 M963 Gen III Single Tube Night Vision Goggle AN/PVS-7B  
with standard accessories and test data sheets - FOM not to  
exceed 1250

License Value: USD 136,750.00

SELLER:

Nightline, Inc.  
10705 SW 104 St  
Miami, FL 33176  
Company contact: Cris Bartolomeo, tel. 423-727-5900

FOREIGN INTERMEDIATE CONSIGNEE:

LCW Holdings (Pvt) Ltd.  
108B Maya Avenue  
Colombo 06  
Sri Lanka  
Tel.: 0094 11 2597062  
Fax: 0094 112597061  
E-mail: lcwek@sltnet.lk  
(COMMENT: According to the license application, the company  
is placing the order with Nightline. Goods will be shipped  
directly to end user. END COMMENT.)

FOREIGN CONSIGNEE:

Sri Lanka Commander of the Navy  
Naval Headquarters Upper Chatham Street  
Colombo 01  
Sri Lanka

FOREIGN END-USER:

Same as Foreign Consignee

PURPOSE:

To support and enhance the maritime surveillance capabilities  
of Sri Lanka

¶6. Submitted in support of the license application were the  
following documents (PM/DTCC can fax documentation to post  
upon request):

¶A.

--Nontransfer and Use Certificate (Form DSP-83), signed by  
L.C.W. Ekanayake, Managing Director, LCW Holdings, dated 20  
Nov 2007; signed by Air Cdr. Tatfw Gunanardana, dated  
26/11/2007; and signed by Major General W.P.P. Fernando USP,  
psc, Military Liaison Officer, Ministry of Defense, dated  
26/12/2007

--End User Certification Form from Sri Lanka Air Force  
Headquarters concerning contract/purchase order number  
KA-5021 dated 05 October 2007, signed by TLW Dissanayake,  
Director Logistics, undated

--Purchase order no. KA-5021 (revised) from LCW Holdings to  
Nightline, signed by Lt. Col. L.C.W. Ekanayake, Managing  
Director, undated

--Product brochure, including photographs and technical  
specifications

¶B.

--Nontransfer and Use Certificate (Form DSP-83), signed by  
L.C.W. Ekanayake, Managing Director, LCW Holdings, dated  
27/12/2007; signed by (illegible), dated 04/01/2008; and  
signed by Major General W.P.P. Fernando USP, psc, Military  
Liaison Officer, Ministry of Defense, dated 10/01/2008

--End User Certification Form from Sri Lanka Navy

Headquarters concerning contract/purchase order number  
DPC/1352/07/FP dated 30 November 2007, signed by D. Perera,  
Commander (S) SLN, dated 28 December 2007

--Purchase order no. DPC/1352/07/FP from LCW Holdings to  
Nightline, signed by Lt. Col. L.C.W. Ekanayake, Managing  
Director, undated

--Product brochure, including photographs and technical  
specifications

1C.

--Nontransfer and Use Certificate (Form DSP-83), signed by  
L.C.W. Ekanayake, Managing Director, LCW Holdings, dated 12  
April 2007; signed by (illegible), dated 04/01/2008; and  
signed by Major General W.P.P. Fernando USP, psc, Military  
Liaison Officer, Ministry of Defense, dated 10/01/2008

--End User Certification Form from Sri Lanka Navy  
Headquarters concerning contract/purchase order number  
DPC/1373/07/FP dated 30 November 2007, signed by D. Perera,  
Commander (S) SLN, dated 28 December 2007

--Purchase order no. DPC/1373/07/FP from LCW Holdings to  
Nightline, signed by Lt. Col. L.C.W. Ekanayake, Managing  
Director, undated

--Product brochure, including photographs and technical  
specifications

17. Please slug reply for PM/DTCC - BLUE LANTERN COORDINATOR  
and include the words "Blue Lantern" and the case number in  
the subject line. POC is Judd Stitzziel, PM/DTCC, Phone:  
202-663-3455; email: StitzzielJD@state.gov; SIPRNET:  
StitzzielJD@state.sgov.gov. The Blue Lantern Guidebook (ref)  
is available as a PDF file in the Bunche Library's Electronic  
Library collection on the DOS Intranet:  
[http://virtuallibrary.state.gov/  
BlueLanternGuidebook2006%2520 final .pdf](http://virtuallibrary.state.gov/BlueLanternGuidebook2006%2520final.pdf)

18. Department is grateful for post's assistance in this  
matter.  
RICE